

191—37.27(514D) Requirements for application forms and replacement coverage.

37.27(1) *Application to include Appendix C.* Application forms for Medicare supplement policies or certificates shall include in the outline of coverage the “statements and questions for application forms related to duplicate or replacement coverage” set forth in Appendix C, in the order prescribed in Appendix C, designed to elicit the following information, as of the date of the application: whether the applicant currently has a Medicare supplement policy or certificate, a Medicare Advantage policy or certificate, or other Medicaid coverage; whether the applicant has another health insurance policy or certificate in force; or whether the applicant intends a Medicare supplement policy or certificate to replace any other accident and sickness policy or certificate presently in force. An additional page or form containing such questions and statements and the applicant’s responses may be used, but it must be signed by the applicant and producer, attached to the application, and kept together with the issuer’s records.

37.27(2) *List of policies sold to applicant.* Producers shall list on the form or on an attachment to the form of Appendix C any other health insurance policies they have sold to the applicant, including the following:

- a. Policies sold which are still in force.
- b. Policies sold in the prior five years which are no longer in force.

37.27(3) *Direct response sales.* In the case of a direct response issuer, a copy of the application or additional page or form, signed by the applicant and acknowledged by the issuer, shall be returned to the applicant by the issuer upon delivery of the policy and shall include the notice regarding replacement of Medicare supplement coverage required of direct response issuers by subrule 37.27(4).

37.27(4) *Required notice regarding replacement.* Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its producer, shall furnish the applicant, prior to issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. The notice shall be provided in the format described in subrule 37.27(5). One copy of such notice signed by the applicant and the producer, except where the coverage is sold without a producer, shall be provided to the applicant, and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy the notice regarding replacement of Medicare supplement coverage.

37.27(5) *Required format of notice regarding replacement.* The notice required by subrule 37.27(4) for an issuer shall be provided in substantially the form and language of the Notice to Applicant regarding Replacement of Medicare Supplement Insurance or Medicare Advantage, as set forth in Appendix D, in no less than 12-point type. Statements 1 and 2 of the replacement notice of Appendix D (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

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